

HOW TO APPLY FOR EX-IM BANK FINANCING

- ~ You can apply for Ex-Im Bank financing for **medium- and long-term loans and guarantees** using the *Letter of Interest (LI) Application* or the *Preliminary Commitment (PC)/Final Commitment (AP) Application*. Apply for Ex-Im Bank financing when you have determined (1) that you are facing competition supported by foreign export credit agencies or (2) that financing from the private sector is either unavailable or the amount and/or terms offered are inadequate to win the export sale. In most cases, either the LI or AP will be appropriate.
- ~ Contact the Business Development Division (202-565-3900) for information about applying for Ex-Im Bank **export credit insurance** and **working capital guarantees**.
- ~ Applications received without the processing fee will not be reviewed.

Note: The private banking sector plays a major role in facilitating U.S. exports by providing financial services independently and in conjunction with Ex-Im Bank. Ex-Im Bank encourages U.S. exporters to establish a relationship with a commercial financing institution.

Applying for a Letter of Interest

The Letter of Interest (LI) is an indication of Ex-Im Bank's willingness to consider financing a given export transaction. Apply for an LI during the bidding or negotiating stage of an export sale when the following conditions exist:

- ~ You need an indication from Ex-Im Bank on the general eligibility of the transaction participants and the goods and services to be exported.
- ~ The repayment terms and other program guidelines in the LI are sufficient for your bid.

An LI is generally issued within seven business days after Ex-Im Bank receives the application. The terms and conditions in the LI are valid for six months. At the request of the applicant, the LI can be renewed at six-month intervals, for up to two years. However, the terms are subject to change.

The review of the LI application includes comparing the transaction information to Ex-Im Bank's cover policy and identifying any potential issues that may need to be analyzed in more detail when an AP application is reviewed.

Any responsible party may apply for an LI. The applicant for an LI is usually the U.S. exporter or a financial advisor representing the exporter. A financial advisor acting on behalf of a foreign buyer

may also apply for an LI, but the LI will be issued directly to the foreign buyer. A foreign buyer or borrower may also apply. The non-refundable processing fee for an LI is \$100.

LIs are not available for credit guarantee facilities or exports of items to be used for nuclear power plants, nuclear fuel research reactors and related facilities. LIs are available for large aircraft transactions on a case-by-case basis (see Attachment A to the *LI Application*). Contact the Aircraft Finance Division (202-565-3550) for information concerning financing of large aircraft and ancillary equipment.

Where to Apply for a Letter of Interest

Ex-Im Bank offers a secure, Internet-based, online Letter of Interest Application. Applicants can submit, save and/or edit a LI application and make a credit card payment online. To apply online, go to the Ex-Im Bank website, www.exim.gov, and select "LI Online" from the home page menu.

If you wish to pay by check or money order, complete the *LI Application* and return the signed original application, the required attachments and a check or money order made payable to the Export-Import Bank of the U.S. to:

Export-Import Bank of the U.S.

Attn: Credit Applications and Processing
811 Vermont Avenue, N.W.
Washington, D.C. 20571

If you wish to pay by credit card, complete the *LI Application* and return the signed application with the required attachments and your credit card information either by mail or by fax to:

Export-Import Bank of the U.S.

Attn: Credit Applications and Processing
Fax: (202-565-3380)

Applying for a Final Commitment

The AP is an authorization of financing by Ex-Im Bank. Apply for an AP when the export contract has been awarded. Ex-Im Bank will perform a comprehensive evaluation of the transaction and any related issues. The AP will specify the exposure fee which can be financed by Ex-Im Bank. It is not necessary to have an LI or PC before applying for an AP.

The applicant for an AP is responsible for payment of Ex-Im Bank's

HOW TO APPLY FOR EX-IM BANK FINANCING

commitment fee for a loan or guarantee or facility fee for a credit guarantee facility. If the applicant is the lender, the lender may require the borrower to accept this responsibility in writing prior to submitting the AP application.

Only the foreign borrower may apply for an AP for an Ex-Im Bank direct loan. The foreign borrower or guaranteed lender may apply for an AP for a guarantee. If the lender has not been selected, only the borrower may apply for an AP for a guarantee. In cases where the borrower is a special purpose vehicle, the applicant must be the guarantor, if there is one. If there is no guarantor, the applicant must be the company obligated to make payments to the special purpose vehicle. A non-refundable processing fee of \$100 is charged for an AP that is not preceded by an LI or PC.

While the *PC/AP Application* is used to apply for limited recourse project financing, other types of financing commitments are offered and a separate fee arrangement applies. Please contact the Ex-Im Bank Business Development Division (202-565-3900) for more information on the specific types of financing commitments offered for limited recourse project financing and the relevant application processing fees.

Where to Apply for a Final Commitment

Complete the *AP Application* and mail the signed original application, the required attachments, and a check, money order, or credit card number made payable to the Export-Import Bank of the U.S. to:

Export-Import Bank of the U.S.

Attn: Credit Applications and Processing
811 Vermont Avenue, N.W.
Washington, D.C. 20571

Applying for a Preliminary Commitment

The PC is an offer of Ex-Im Bank financing subject to the award of the export contract and Ex-Im Bank's review of an AP application. Ex-Im Bank reserves the right to determine when a request for a PC is justified and has established the following three criteria for the appropriate use of a PC.

- ~ If the award of the export contract is subject to a formal competitive bid process in which there is clear evidence that an actual quote of the definitive rates, fees, terms, and conditions of Ex-Im Bank support must be presented, then Ex-Im Bank will accept an application for a PC.
- ~ If the exports are items to be used for nuclear power plants, nuclear fuel research reactors and related facilities, Ex-Im Bank will require a PC application. An LI is not available.
- ~ If the applicant requests resolution of significant financial, technical, environmental, or policy issues which would have a critical impact on the availability of Ex-Im Bank support, Ex-Im Bank will accept an application for a PC only if it determines that the issues are significant enough to warrant Ex-Im Bank's review prior to the award of the export contract.

In order for Ex-Im Bank to perform the necessary review of program and credit issues required to issue a PC and specify an exposure fee, the *PC/AP Application* requires more detailed information pertaining to the transaction than the *LI Application*. Examples of case-specific issues include: economic impact on U.S. production; eligibility of military-related

products; environmental impact of the project; and credit review of the borrower (and guarantor, if any). Ex-Im Bank will issue a PC subject to final review of outstanding issues when information is not available at the PC stage. However, Ex-Im Bank will require sufficient information on the borrower (and guarantor, if any) in order to establish a specific exposure fee.

The applicant has two PC options: a four-month PC with a cap on Ex-Im Bank's direct loan interest rate or a six-month PC with no interest rate cap. The terms and conditions of the PC are valid for four months or six months, depending on the option selected. At the request of the applicant, the PC can be renewed at four-month or six-month intervals, but the terms are subject to change. Large aircraft transactions are not eligible for the four-month PC option with the interest rate cap. All PCs for large aircraft transactions will continue to be valid for six months and can be renewed at six-month intervals, but the terms are subject to change. PCs are not available for credit guarantee facilities.

Any responsible party may apply for a PC. The applicant for a PC is usually the U.S. exporter or a financial advisor representing the exporter. A foreign buyer or borrower may also apply for a PC.

The processing fee for a PC is equivalent to 1/10 of one percent of the requested amount of the financing (excluding the exposure fee), up to a maximum of \$25,000. If the foreign buyer or borrower applies for a PC, the processing fee may be paid by the U.S. exporter. This fee (minus \$100) will be rebated if and when an AP is approved by Ex-Im Bank.

HOW TO APPLY FOR EX-IM BANK FINANCING

The higher processing fee for the PC is intended to cover the additional transaction processing costs associated with issuing a PC and to encourage appropriate use of the LI. Exceptionally, if the Board approves a PC with a tied aid offer, Ex-Im Bank will immediately refund the PC processing fee regardless of whether the exporter eventually wins or loses the export contract.

Where to Apply for a Preliminary Commitment

Complete the *PC Application* and mail the signed original application, the required attachments and a check or money order made payable to the Export-Import Bank of the U.S. to:

Export-Import Bank of the U.S.

811 Vermont Avenue, N.W.

Washington, D.C. 20571